



Medley Capital Corporation (NYSE: MCC)

Investor Presentation

Quarter Ended September 30, 2018

Important Notice

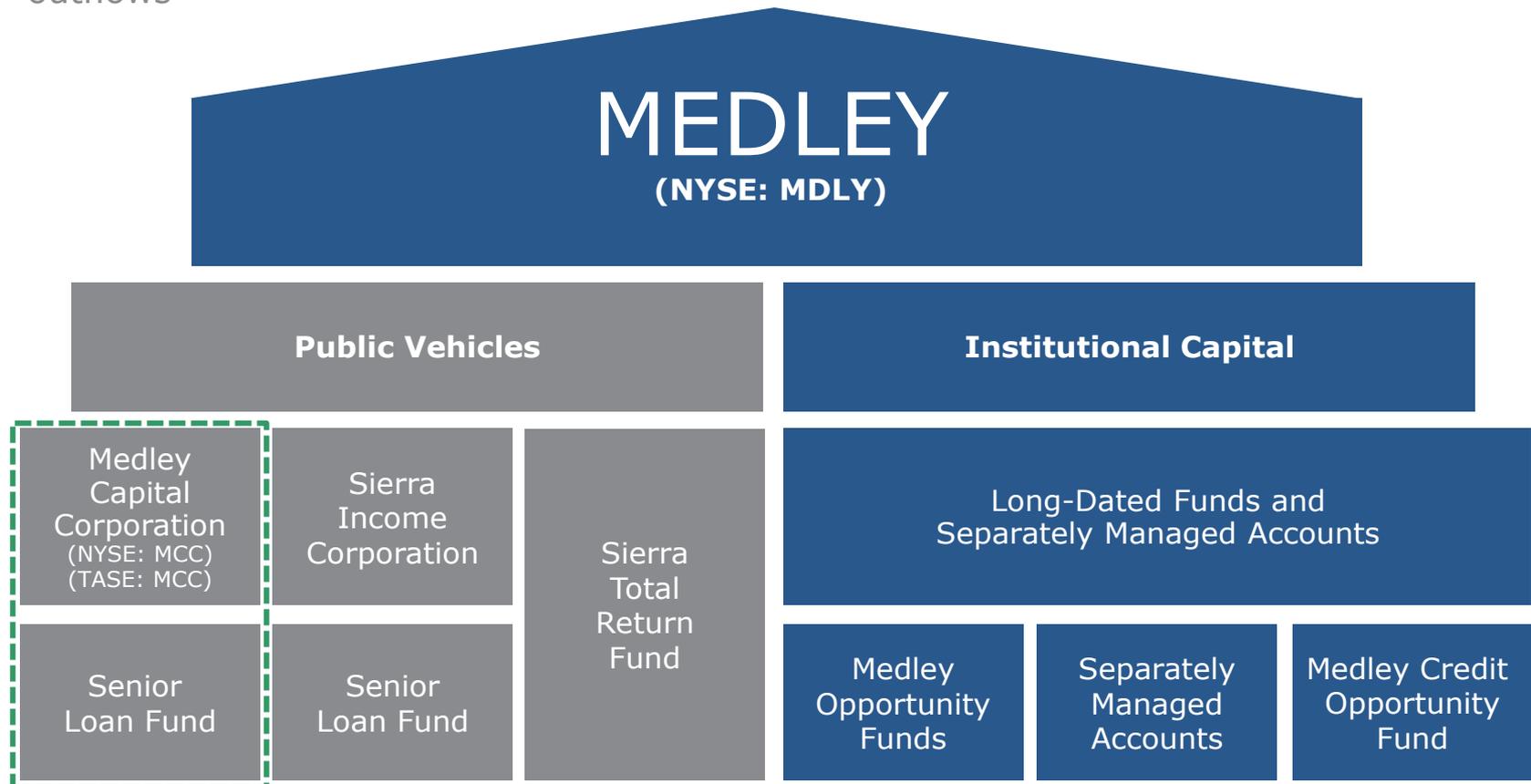
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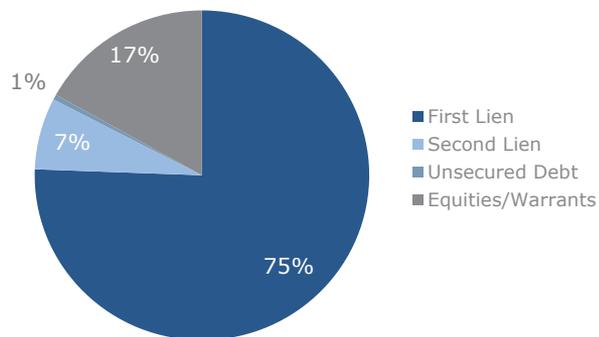
Diversified AUM Across Multiple Funds

- Broad distribution through public and private vehicles
- Permanent capital, long-dated funds and managed accounts not subject to traditional outflows

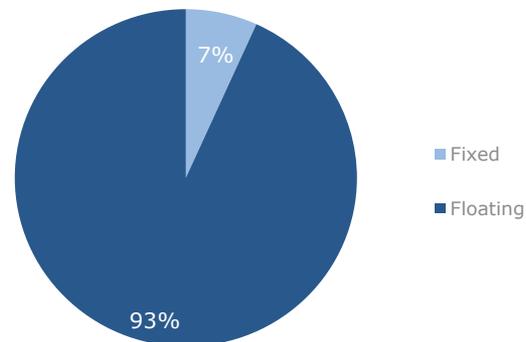


Diversified Senior Secured Floating Rate Portfolio

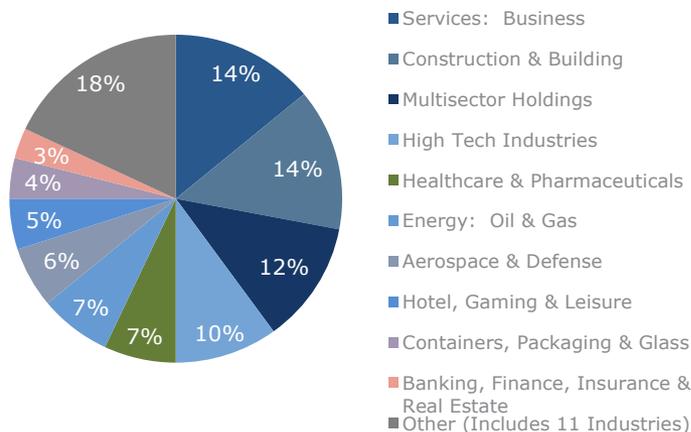
Investment Type¹



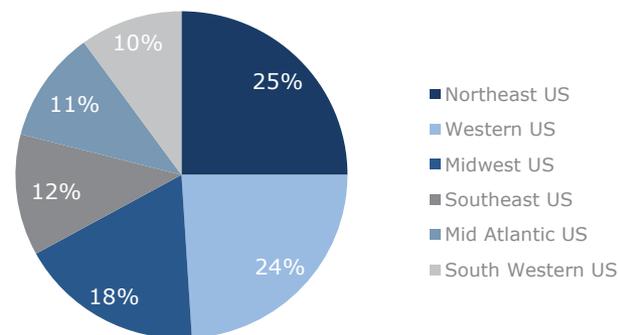
Floating vs Fixed Rate²



Industry



Geography



Note: Portfolio data as of 9/30/18 based on fair market value. Numbers may not foot due to rounding. Past performance is not indicative of future results.

1. MCC SLS JV equity is categorized as First Lien.

2. Based on income bearing investments; excludes preferred and common equity.

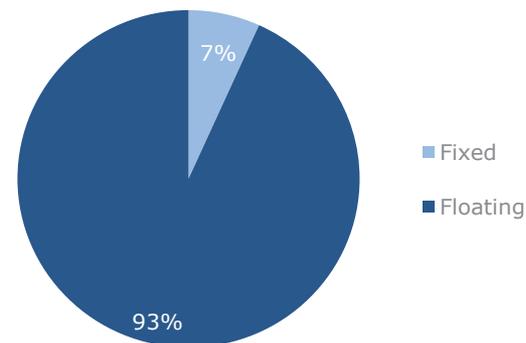
Well Positioned for a Rising Rate Environment

- MCC is well positioned for a rising interest rate environment
- 93%¹ of the portfolio is floating rate
- 100% of liabilities are fixed rate
- Favorable asset & liability mix
 - The weighted average maturity of assets is 3.4 years
 - The weighted average maturity of liabilities is 5.2 years

Basis Point Change	Interest Income Change	Interest Expense Change	NII Change
100	\$3,900	\$-	\$3,900
200	7,900	-	7,900
300	11,800	-	11,800

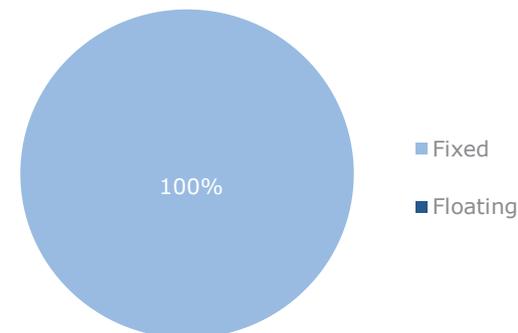
Assets

9/30/2018



Liabilities

9/30/2018

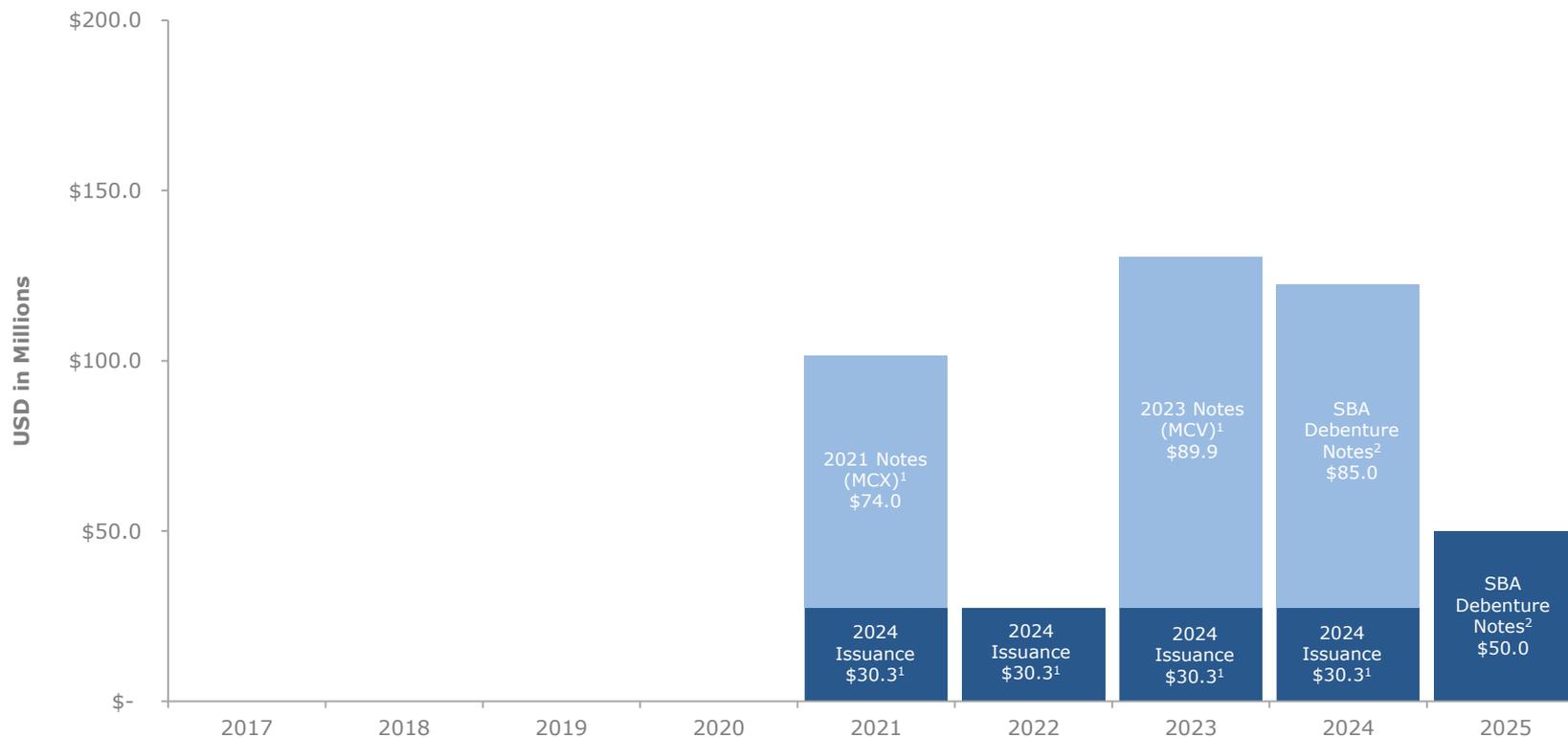


Note: Past performance is not indicative of future results.

1. Figure includes SLS JV portfolio positions and does not include equity investments.

Debt Maturity Profile

- MCC's liabilities are 100.0% fixed rate



Note: As of 9/30/2018.

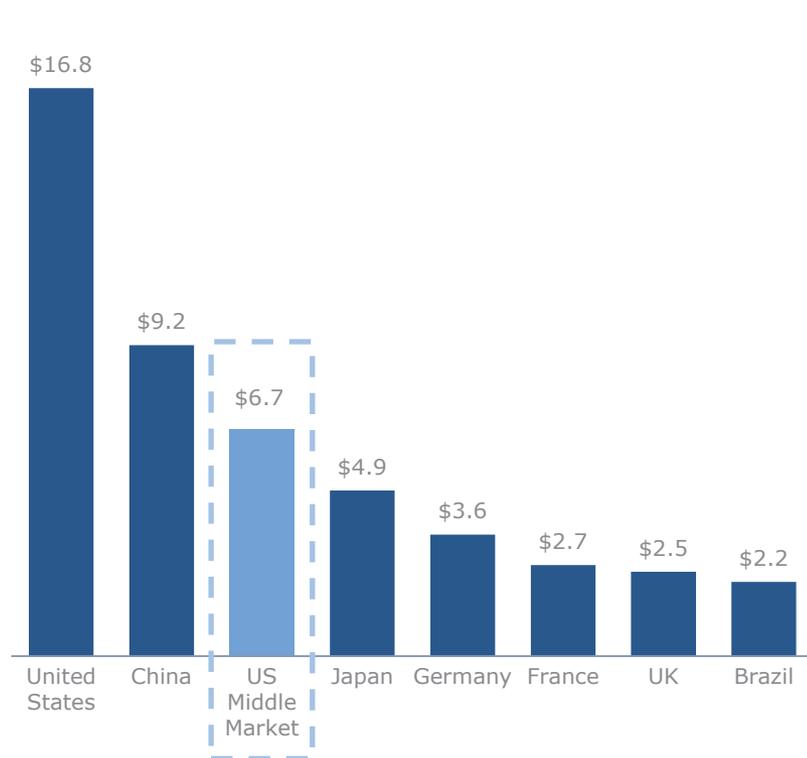
- \$8.2 million aggregate difference in total Unsecured Notes from the balance sheet is a result of recently adopted debt issuance cost accounting standards.
- \$2.1 million aggregate difference in total SBA Debenture Notes from the balance sheet is a result of recently adopted debt issuance cost accounting standards.

Attractive Industry Dynamics

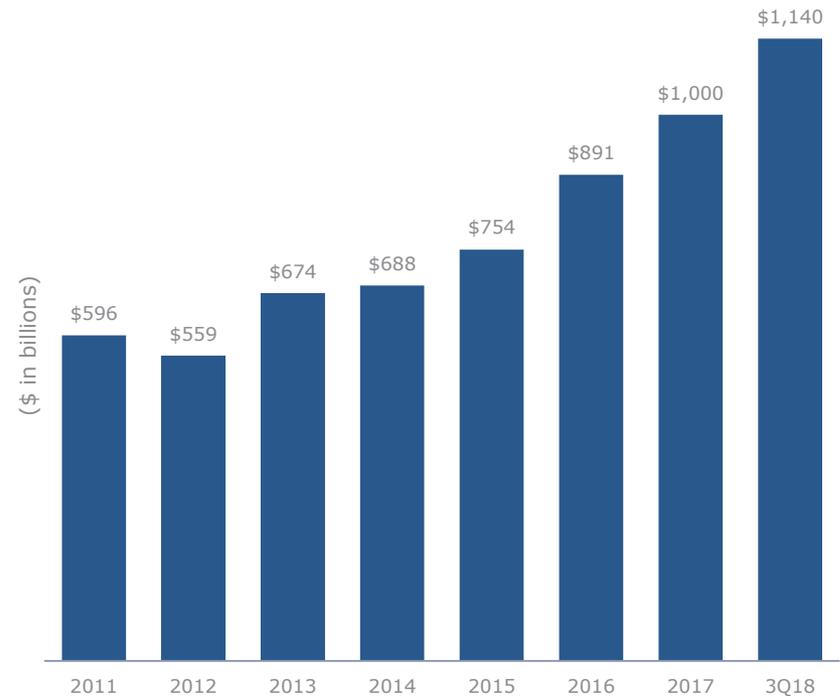
The Opportunity – Large Target Market

- Standalone US middle market would rank as the 3rd largest global economy
- Private equity dry powder continues to be elevated at all-time highs

Top GDPs¹



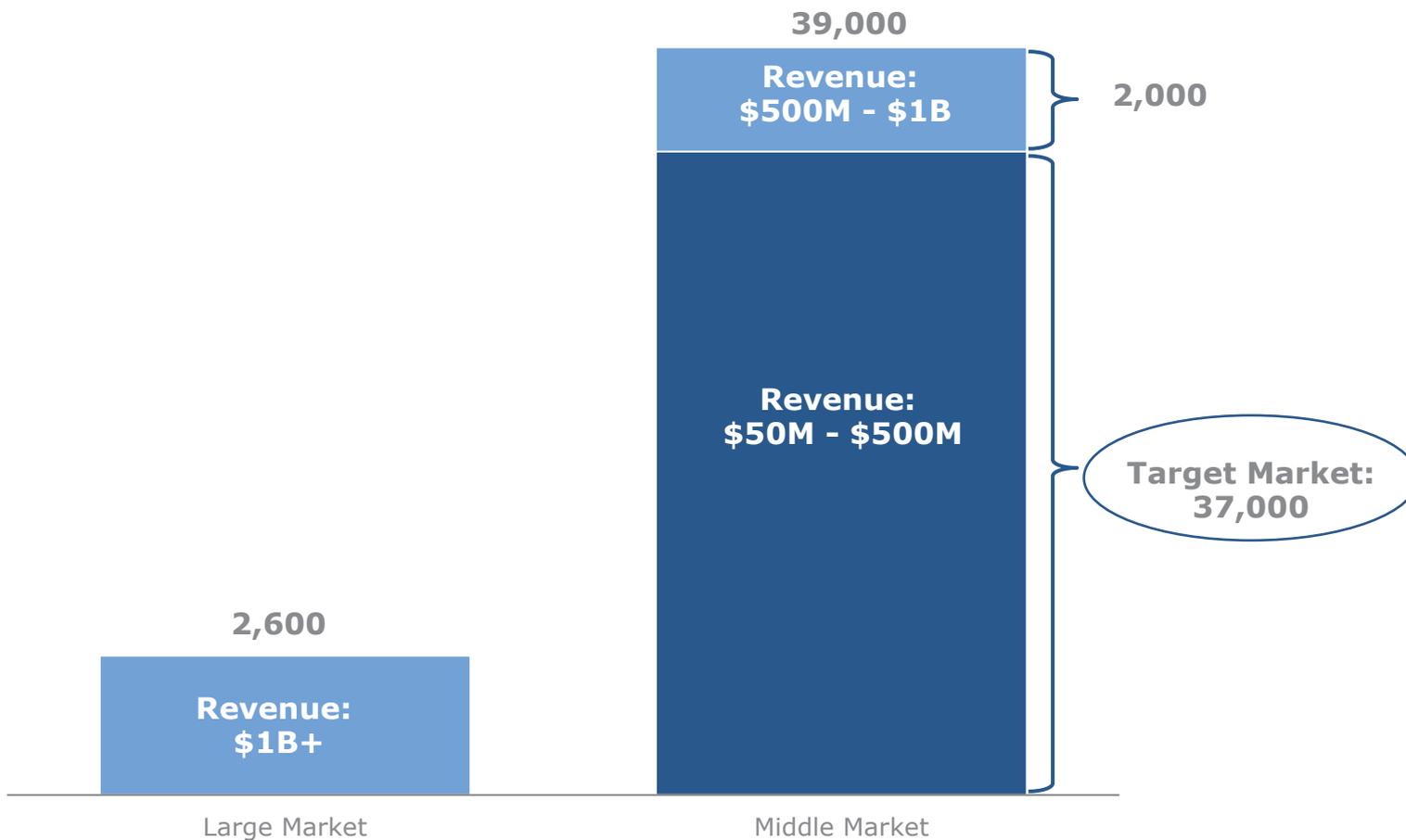
Private Equity Dry Powder²



1. International Monetary Fund, World Economic Outlook Database, June 2014. Metrics in trillions of USD.
 2. Preqin Private Equity Q3 2018 Quarterly Update. Metrics in billions of USD.

The Opportunity – Large Number of Borrowers

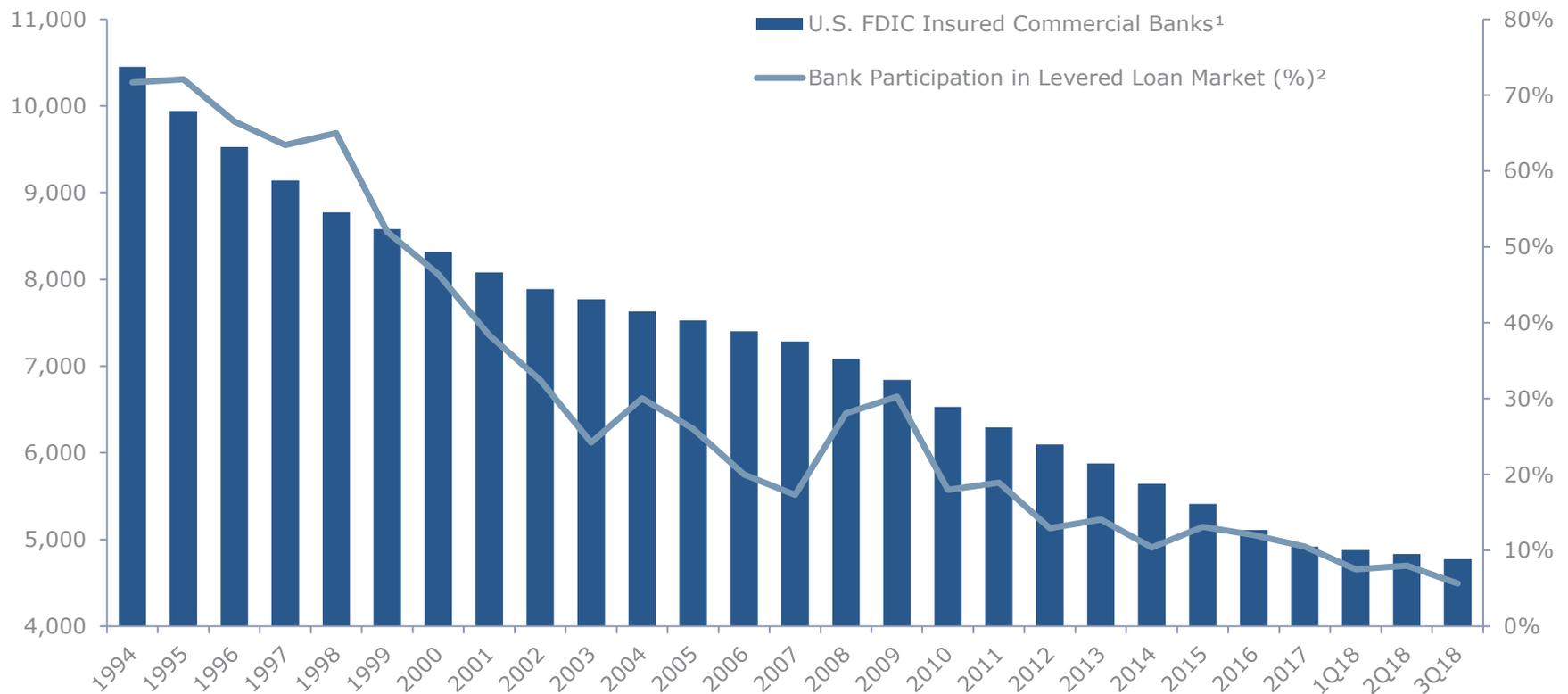
Number of Businesses by Market¹



1. U.S. Census Bureau, 2007 Economic Census.

The Opportunity – Bank Consolidation

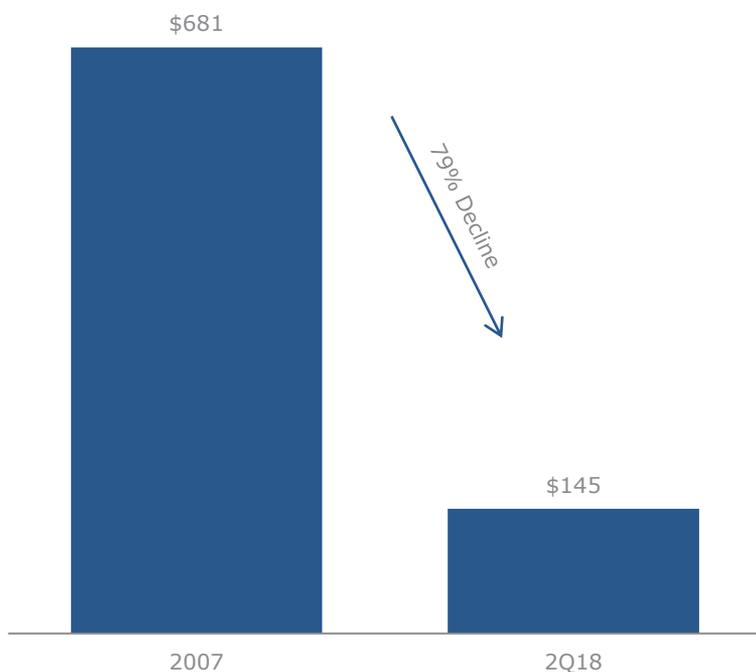
- Banks continue to shift toward large borrowers
- Regulatory environment is a headwind for banks in the middle-market



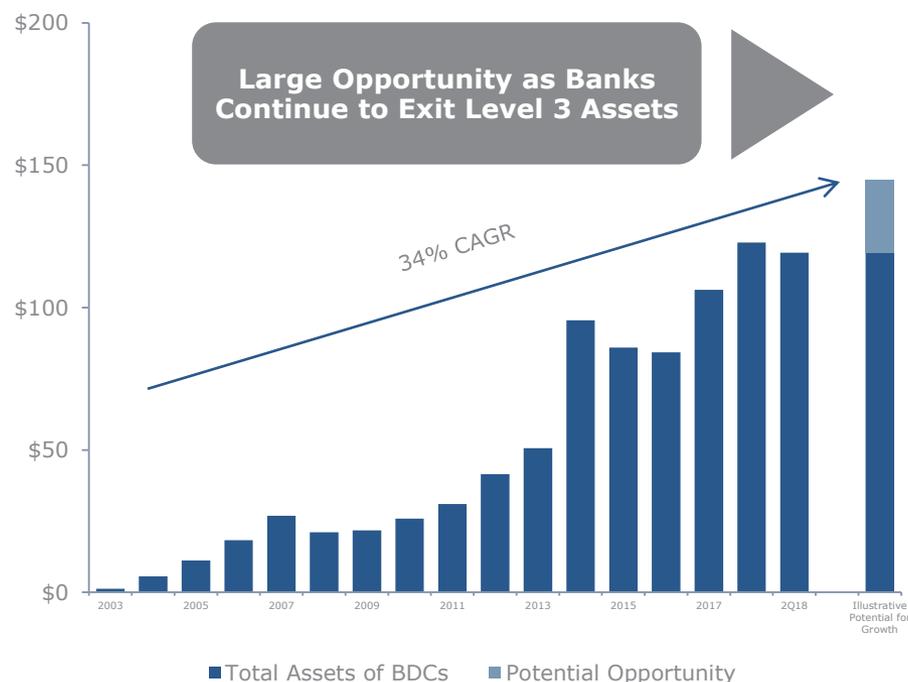
1. Federal Deposit Insurance Corporation, represents number of commercial banking institutions insured by the FDIC as of 6/30/2018.
 2. S&P LCD's Leveraged Lending Review – 3Q18.

Regulatory Pressure Continues for Banks

Level 3 Assets for Financial Firms¹



Total Assets of Publicly Traded BDCs²



1. Financial firms include: BAC, C, CS, DB, GS, JPM, MS and WFC. Metrics in billions of USD. Financial information as of 6/30/2018.

2. BDCs include: ACAS, ACSF, AINV, ARCC, BKCC, CMFN, CPTA, FDUS, FSC, FSFR, FSIC, GAIN, GARS, GBDC, GLAD, GSVC, HCAP, HRZN, HTCG, KCAP, KIPO, MAIN, MCC, MCGC, MRCC, MVC, NGPC, NMFC, OFS, PFLT, PNNT, PSEC, SAR, SCM, SLRC, SUNS, TCAP, TCPC, TCRD, TICC, TINY, TPVG, TSLX and WHF. Metrics in billions of USD. Total assets as of 6/30/2018 with the exception of ACAS, ACSF, AINV, CMFN, CPTA, FSFR, FSIC, GARS, GBDC, GSVC, HCAP, KIPO, MCC, MCGC, MRCC, MVC, NGPC, NMFC, PFLT, PNNT, PSEC, SAR, SCM, SLRC, SUNS, TCAP, TCPC, TCRD, and WHF.

MCC Financial Results

Performance Overview

- Net investment income of \$0.01 per share for the quarter ending 9/30/2018
 - Adjusted net investment income of \$0.06 per share excluding expenses for announced merger
- Net asset value of \$5.90 per share for the quarter ending 9/30/2018
- Quarterly dividend of \$0.10 per share for the quarter ending 9/30/2018
- 9.9% portfolio yield as of 9/30/2018¹
- Funded \$78.6M in the MCC SLS JV since inception through the quarter ending 9/30/2018

1. Represents annualized portfolio yield to maturity of income bearing investments, excluding fees, while utilizing industry standard forward LIBOR curve assumptions.

Financial & Portfolio Highlights

Financial Highlights

	9/30/18	6/30/18	3/31/18	12/31/17	9/30/17
Net investment income per share	\$ 0.01	\$ 0.02	\$ 0.07	\$ 0.13	\$ 0.16
Net realized gains (losses) per share	\$ (0.57)	\$ (0.64)	\$ (0.43)	\$ -	\$ (0.22)
Loss on extinguishment of Debt	\$ (0.02)	\$ -	\$ (0.02)	\$ -	\$ (0.01)
Net unrealized gains (losses)	\$ 0.14	\$ 0.13	\$ (0.15)	\$ (0.72)	\$ (0.16)
Provision for taxes on unrealized per share	\$ -	\$ -	\$ -	\$ -	\$ 0.01
Net income per share ¹	\$ (0.43)	\$ (0.49)	\$ (0.53)	\$ (0.59)	\$ (0.22)
Net asset value per share	\$ 5.90	\$ 6.43	\$ 7.02	\$ 7.71	\$ 8.45

Portfolio Highlights

- \$655.4 million total fair value of investments as of September 30, 2018
- \$41.2 million net originations during quarter ended September 30, 2018

Asset Mix by Investment Type

Asset Class	9/30/2018	6/30/2018	3/31/2018	12/31/2017	9/30/2017
Senior Secured 1st Lien	63.2%	63.7%	65.8%	67.0%	67.5%
Senior Secured 2nd Lien	7.5%	7.5%	10.6%	12.7%	16.2%
Unsecured Debt	0.5%	0.2%	-	-	-
MCC Senior Loan Strategy JV I LLC	11.9%	12.3%	9.5%	8.0%	6.7%
Equity/Warrants	16.9%	16.3%	14.1%	12.3%	9.6%

Asset Mix by Rating

Rating	9/30/2018	6/30/2018	3/31/2018	12/31/2017	9/30/2017
1	7.7%	5.1%	3.3%	0.8%	5.1%
2	68.4%	68.7%	78.6%	72.1%	63.0%
3	16.2%	14.2%	5.8%	17.1%	16.7%
4	0.1%	1.6%	5.7%	3.0%	8.3%
5	7.6%	10.4%	6.6%	7.0%	6.9%

1. May not foot due to rounding.

Select Financial & Portfolio Information

**As of and for the Three Months Ended
 (dollars in millions, except per share data)**

	9/30/18	6/30/18	3/31/18	12/31/17	9/30/17
Net investment income per share - basic & diluted	0.01	0.02	0.07	0.13	0.16
Net realized and unrealized gains per share - basic & diluted ^{1,2}	(0.45)	(0.51)	(0.60)	(0.72)	(0.39)
GAAP EPS - basic & diluted ³	(0.43)	(0.49)	(0.53)	(0.59)	(0.22)
Dividend declared per share	0.10	0.10	0.10	0.16	0.16
Stockholders' equity	\$ 321.2	\$ 350.2	\$ 382.3	\$ 419.8	\$ 460.4
Net asset value per share	5.90	6.43	7.02	7.71	8.45
Market Capitalization ⁴	\$ 208.1	\$ 189.0	\$ 216.8	\$ 284.4	\$ 325.2
Common stock data:					
High Price ⁵	\$ 4.03	\$ 4.37	\$ 5.34	\$ 6.10	\$ 6.57
Low Price ⁵	3.38	3.39	3.98	5.09	5.79
Closing Price	3.82	3.47	3.98	5.22	5.97
Investments at fair value	\$ 655.4	\$ 634.9	\$ 746.8	\$ 835.9	\$ 837.0
% Floating Rate ⁶	80.5%	79.1%	82.9%	83.7%	83.5%
% Fixed Rate ⁶	19.5%	20.9%	17.1%	16.3%	16.5%
Number of Portfolio Companies	67	62	64	68	64
Gross originations for the quarter	\$ 63.6	\$ 29.8	\$ 20.2	\$ 82.7	\$ 58.0
Realizations/amortizations for the quarter	22.4	117.7	79.5	47.9	82.0
Net originations/(realizations) for the quarter	41.2	(87.9)	(59.3)	34.8	(24.0)

Note: Note: Basic and diluted per share data reflects weighted average common shares outstanding of 54,474,211 as of 09/30/18, 54,474,211 as of 06/30/18, 54,474,211 as of 03/31/2018, 54,474,211 as of 12/31/17, and 54,474,211 as of 9/30/17.

1. Inclusive of change in provision for taxes of \$0 for the quarter ended 09/30/18, \$193,849 for the quarter ended 06/30/18, \$190,494 for the quarter ended 03/31/18, \$90,009 for the quarter ended 12/31/17 and \$309,180 for the quarter ended 09/30/17.

2. Inclusive of loss on extinguishment of debt.

3. May not foot due to rounding.

4. Reflects common shares outstanding of 54,474,211 and a closing price of \$3.82 as of 09/30/18, 54,474,211 and a closing price of \$3.47 as of 06/30/18, 54,474,211 and a closing price of \$3.98 as of 03/31/18, 54,474,211 and a closing price of \$5.22 as of 12/31/17, 54,474,211 and a closing price of \$5.97 as of 9/30/17.

5. Reflects the high and low closing share price during the periods ended 09/30/2018, 06/30/2018, 03/31/2018, 12/31/2017, 09/30/2017.

6. Based on income bearing investments.

Balance Sheet

As of
(dollars in thousands, except per share data)

	9/30/18	6/30/18	3/31/18	12/31/17	9/30/17
	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
ASSETS					
Investments at fair value					
Non-controlled/non-affiliated investments	\$ 393,149	\$ 358,757	\$ 480,365	\$ 565,542	\$ 575,496
Affiliated investments	100,641	98,014	93,793	95,792	90,071
Controlled investments	161,640	178,097	172,657	174,569	171,424
Total investments at fair value	\$ 655,430	\$ 634,868	\$ 746,815	\$ 835,903	\$ 836,991
Cash and cash equivalents	75,666	144,002	65,430	50,008	108,572
Interest receivable	6,377	4,701	9,427	9,475	9,371
Receivable for dispositions and investments sold	160	150	179	56	232
Other assets	3,963	5,048	4,243	4,582	4,394
TOTAL ASSETS	\$ 741,596	\$ 788,769	\$ 826,094	\$ 900,024	\$ 959,560
LIABILITIES					
Revolving credit facility payable	\$ -	\$ 349	\$ 10,711	\$ 45,381	\$ 66,223
Term loan payable	-	-	-	101,047	100,954
Notes payable	276,909	276,330	275,771	173,002	172,752
SBA debentures payable	132,905	147,578	147,437	147,297	147,154
Management and incentive fees payable	3,348	3,533	3,396	4,068	4,312
Interest and fees payable	3,280	7,012	2,725	5,063	3,760
Accounts payable, accrued expenses and other liabilities	3,975	3,806	3,779	4,397	3,976
TOTAL LIABILITIES	\$ 420,417	\$ 438,608	\$ 443,819	\$ 480,255	\$ 499,131
NET ASSETS					
Common stock, par value \$.001 per share, 100,000,000 common shares authorized, 54,474,211 common shares issued and outstanding as of September 30, 2018	\$ 54	\$ 54	\$ 54	\$ 54	\$ 54
Capital in excess of par value	698,587	705,046	705,046	705,046	705,046
Total distributable loss	(377,462)	(354,939)	(322,825)	(285,331)	(244,671)
Total net assets	321,179	350,161	382,275	419,769	460,429
TOTAL LIABILITIES AND NET ASSETS	\$ 741,596	\$ 788,769	\$ 826,094	\$ 900,024	\$ 959,560
NET ASSET VALUE PER SHARE	\$ 5.90	\$ 6.43	\$ 7.02	\$ 7.71	\$ 8.45

Corporate Information

Board of Directors

BROOK TAUBE
Chairman & Chief Executive Officer

SETH TAUBE
Director

JEFF TONKEL
Director

ARTHUR AINSBERG
Independent Director

JOHN E. MACK
Independent Director

KARIN HIRTLER-GARVEY
Independent Director

MARK LERDAL
Independent Director

Corporate Officers

BROOK TAUBE
Chairman & Chief Executive Officer

RICHARD T. ALLORTO, JR.
Chief Financial Officer & Secretary

JOHN FREDERICKS
Chief Compliance Officer

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Mitchel Penn, CFA – (410) 583-5976

JEFFERIES GROUP
Kyle Joseph – (415) 229-1525

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Finian O’Shea – (212) 214-5082

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Head of Capital Markets & Risk
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EVERSHEDS SUTHERLAND
Washington, DC

Independent Registered Public Accounting Firm

ERNST & YOUNG, LLP
New York, NY

Securities Listing

NYSE: MCC (Common Stock)
MCX (Senior Notes Due 2021)
MCV (Senior Notes Due 2023)
TASE: MCC (Common Stock)
MCC.B1 (Senior Notes Due 2024)

Transfer Agent

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